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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8670  
INFO RUEHXK/ARAB ISRAELI COLLECTIVE PRIORITY  
RHEHNSC/NSC WASHDC PRIORITY

UNCLAS JERUSALEM 001676

SIPDIS

SENSITIVE  
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NEA FOR FRONT OFFICE; NEA/IPA FOR  
WILLIAMS/SHAMPAINE/BELRADE; PRM FOR PDAS GREENE AND  
PRM/ANE; NSC FOR ABRAMS/WATERS

E.O. 12958: N/A

TAGS: [PGOV](#) [PREL](#) [EAID](#) [IS](#) [KPAL](#) [KWBG](#) [OVIP](#)

SUBJECT: FAYYAD TELLS CODEL BAIRD THAT ADDITIONAL USG  
ASSISTANCE NEEDED

**¶11.** (SBU) Summary: During an August 9 meeting with the Consul General and CODEL Baird, Palestinian Authority (PA) Prime Minister Salam Fayyad expressed his hope that additional U.S. assistance arrives quickly to improve the lives of Palestinians. Fayyad said that the future of the West Bank/Gaza depends on disarming militias and the establishment of law and order. He stated that PA actions will be pitted against Hamas' words, resulting in increased public support for the PA. End summary.

Security First

**¶12.** (SBU) During a meeting with the Consul General and U.S. Representative Baird on August 9 in Ramallah, PM Fayyad underscored that in order to weaken Hamas, the PA needs to move forward quickly with its plan to restructure its security forces and to disarm militias. He described the disarmament of militias as the fundamental key to Palestinian success. Fayyad said that any economic progress in the West Bank and Gaza will not be sustained without the establishment of law and order throughout.

U.S. Support Needed Quickly;  
Winning With Good Works

**¶13.** (SBU) Fayyad stated that U.S. economic assistance will be essential during the upcoming months. He said he hoped for an expression of strong U.S. financial support to the Palestinians that will: (1) arrive quickly and (2) improve basic infrastructure to inject life into the Palestinian economy, which, he said, is critical for engine of sustainable job creation. Fayyad said that he plans to work to attract international capital investment through the construction of Palestinian industrial parks. Fayyad underscored that his government will "lead with action, not words."

Palestinian Openness To The World

**¶14.** (SBU) Fayyad told Baird that in order to defeat Hamas, the PA needs to implement its vision of an open society and economy that responds to Palestinian needs. He added that Palestinian potential lays in openness to the world, not hostility toward it. Fayyad said that the combination of improved security and economic progress may improve Palestinian sentiment toward the prospects of a two-state solution, which has been diminished in recent years due to the separation barrier and reduced access and movement.

Fayyad Not Sensitive About Pro-U.S. Stigma

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¶5. (SBU) Responding to Representative Baird's question about the local perception of Fayyad's close relationship to the U.S., Fayyad said that he is not sensitive about the "U.S. ally stigma," as he would like all Palestinians to take his approach to the U.S. - "your country can be our model," he remarked. Fayyad said he wanted to be explicit and direct with his Palestinian constituents and the USG about the dangers of radicalization and the importance of increased U.S. support.

¶6. (U) CODEL Baird did not have an opportunity to review this message.

WALLES